

	Needs	State Bonds	State Revenue	Local Revenue	Efficiency/Best Practices
Infrastructure Issue					
School Construction	\$9.8 billion (five years). 1/3 of this amount is in top 6 counties	Currently pay \$152 million in debt service for 1996 bonds	State provides direct help through share of corporate income tax and share of lottery (\$240 million). State also mandated that portion of local sales tax be used for school construction (\$300 million)	Average over 3 years is \$980 m (includes state sources, except lottery)	State Treasurer Model. Public Private Partnerships
Water & Sewer	\$6.85 billion (five years)	Currently pay \$53 million in debt service for 1998 bonds	State revolving loan fund (relatively small)	Primarily user fees	Conservation and operator education/training. Adopt best practices.
Transportation	\$64 billion (state - 20 years). Cities have challenges	Currently paying \$88 million in debt service	Gas tax, sales tax on cars, registration fees	Local taxes - also get Powell Bill aid	Examine permitting, etc. Private partnerships, other user revenues.
State CIP	\$7.2 billion (6 years) - Almost \$500 million in UNC projects ready to go. \$400 million in public safety based on inmate projections.	Will be needed for the State CIP	General Fund pays debt service. Debt service is 3.7 percent of budget, up from 1.9 percent in 2000-01. Outstanding debt is up from \$2.8 billion to over \$6.1 billion.	None	Use revenues now used as lease fees. Use standard designs for prisons, etc.
Challenges		State's General Fund debt capacity is 1.9 billion. State facility needs are \$7.2 billion over 6 years	State taxes are about at national average overall, but are higher on income taxes and franchise taxes	Local property taxes are 35% below national average, but rapidly growing assessments put pressure on long-time homeowners	
Options		Possible use of some capacity. Highway borrowing capacity is about \$375 million over 5 years.	Hard to determine, perhaps some examination of highway-related revenues. Some of the local options could also be levied at state level.	Additional options include sales tax (locals already have 8th highest share in nation at 2.5 percent); land transfer/deed stamp taxes; property tax; other small taxes like meals and registration	